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BEFORE THE ARIZONA CORPORATION COMMISSION

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2011 JAN 21 A 9:10

Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION  
DOCKET CONTROL

JAN 21 2011

DOCKETED BY

IN THE MATTER OF THE COMMISSION ON  
ITS OWN MOTION INVESTIGATING THE  
FAILURE OF TRUXTON CANYON WATER  
COMPANY TO COMPLY WITH  
COMMISSION RULES AND REGULATIONS.

DOCKET NO. W-02168A-10-0247

**STAFF'S NOTICE OF FILING**

A Pre-hearing Conference was held on January 13, 2011 in the above referenced matter. During the Pre-hearing Conference, Judge Kinsey highlighted a few issues she would like some additional information on from the Parties. The Company would be in the best position to address many of the issues raised by the Judge. However, there are issues that Staff would be able to address, such as: how many main extension agreement (“MXA”) from Truxton Canyon Water Company (“Truxton” or “Company”) have been filed and/or approved by the Utilities Division Staff (“Staff”); a written report referenced in Alfonso Amezcua’s Direct Testimony on pages 2-3; and “the goals” referenced in Alexander Igwe’s Direct Testimony on page 8, lines 4 – 8.

**Main Extension Agreements (“MXAs”)**

Staff reviewed both its database as well as physically investigated whether they had any MXA’s from Truxton. According to the records, Truxton has not filed any MXAs with Staff.

**Alfonso Amezcua’s Direct Testimony**

During the end of October 2009, Mr. Amezcua and Staff Engineer Dorothy Hains visited the Truxton System and viewed the twenty (20) leaks that had been documented in an ADEQ sanitary report. In addition to the ADEQ sanitary report documenting the leaks, Consumer Services had been receiving numerous complaints from Truxton customers concerning leaks in the system.

During the visit, Staff requested a date specific that the Company would commit to having all leaks and/or breaks repaired. The Company stated that it would begin the repairs Monday, November 2, 2009 and anticipated it would be approximately two weeks before all leaks are repaired.

1 Once all repairs were made, they agreed to follow-up with Staff and provide a written report with  
2 pictures.

3 Staff was expecting a report on the leaks in mid-November and even wrote additional letters  
4 requesting documentation and plans in February. The Company sent Staff a photo log of the leaks on  
5 April 7, 2010.

6 **Alexander Igwe's Direct Testimony**

7 Judge Kinsey requested clarification on what "goals" Staff was referring to on page 8 of Mr.  
8 Igwe's Direct Testimony.

9 As a result, Staff has recommended specific goals that Truxton's new  
10 management must now accomplish with in definite timelines. In the  
11 event that Truxton fails to meet these goals, Staff has recommended  
that the Commission authorize Staff to appoint an Interim Manager,  
without further action of the Commission.<sup>1</sup>

12 The goals referred to in this excerpt are Staff's recommendations for the Company, as found in Mr.  
13 Igwe's Executive Summary and on pages 19 – 20 of his Direct Testimony. However, Staff would  
14 note the recommendations provided by Mr. Igwe in his Direct Testimony were updated in his  
15 Surrebuttal Testimony. Staff would therefore refer Judge Kinsey to Mr. Igwe's Surrebuttal  
16 Testimony for Staff's most up to date "goals" or recommendations for the Company.

17 Staff believes the above responses should adequately address Judge Kinsey's concerns.  
18 However, should Judge Kinsey have any additional questions or concerns regarding the information  
19 provided, all necessary witnesses will be available on Tuesday, January 18, 2011.

20 RESPECTFULLY SUBMITTED this 21<sup>st</sup> day of January, 2011.

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<sup>1</sup> Alexander Igwe's Direct Testimony at 8:4-8.

1 Original and thirteen (13) copies  
2 of the foregoing filed this  
21<sup>st</sup> day of January 2011 with:

3 Docket Control  
4 Arizona Corporation Commission  
1200 West Washington Street  
5 Phoenix, Arizona 85007

6 Copies of the foregoing mailed this  
21<sup>st</sup> day of January 2011 to:

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